



Business

UPI NewsTrack Business

Published: April 7, 2008 at 6:15 PM

U.S. markets rally fades Monday

NEW YORK, April 7 (UPI) -- A rally in U.S. markets fizzled by the close Monday on worries that first quarter earning reports would bring a wave of bad news.

By the close, the Dow Jones industrial average, up more than 100 points in midday, was up only 3.01 points or 0.02 percent at 12,612.43. The Standard & Poor's 500 index gained 2.14 or 0.16 percent to 1,372.54. The Nasdaq composite index fell 6.15 or 0.26 percent to 2,364.83.

On the New York Stock Exchange 1,747 stocks advanced and 1,398 declined on a volume of 1.273 billion shares traded.

The 10-year treasury note fell 23/32 to yield 3.556 percent.

The dollar lost ground. The euro traded at \$1.5715 from Friday's \$1.5706 while the dollar traded at 102.46 yen from Friday's 102.47 yen.

In Tokyo, the Nikkei average gained 157.01 points to 13,450.23, up 1.18 percent.

In London, the FTSE 100 rose 67.70 to 6,014.80, up 1.14 percent.

In corner, Yahoo! rebuffs Microsoft

SUNNYVALE, Calif., April 7 (UPI) -- California's Yahoo! Inc. repeated Monday that the takeover bid from Microsoft Corp was too low, a company statement said.

In a statement Yahoo! said "our board's view of your proposal has not changed."

Microsoft offered \$31 per share in January, roughly \$45 billion. Within the week, Yahoo!'s board rejected the bid.

Microsoft's Chief Executive Officer Steven Ballmer provoked the new rebuttal by sending a letter to Yahoo!'s board, threatening to lower the offer per share, which has already dropped to \$29 due to a decrease in Microsoft's shares, The New York Times reported Monday..

Ballmer has also threatened to begin a proxy battle by seeking to replace Yahoo! board members.

Offers from each company have met twice since the offer was first made, but no formal negotiations have taken place, the Times reported.

An expert in corporate law, Michel Klausner, said, "Microsoft still prefers a negotiated deal to a proxy fight," but understand that it can lower the price, because Yahoo! has not found any alternative.

Others say Yahoo! shareholders would eventually approve a deal if the company does not find any better deals.

Novartis to purchase a quarter of Alcon

GENEVA, Switzerland, April 7 (UPI) -- Swiss pharmaceutical firm Novartis said it would purchase a quarter of eye-care giant Alcon from Nestle with options to purchase more in the future.

Novartis said it would borrow \$5 billion to make the \$11 billion deal and that it had an option to purchase the rest of Nestle's stake in the company, which would push the deal to \$39 billion.

Nestle owns another 52 percent of Alcon.

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4/8/2008
TOY-TQ001-00034343

Novartis Chief Executive Daniel Vasella called Alcon's margins "very attractive," The New York Times reported.

The company said the purchase would fit well with its existing contact lens and eye-product business.

Nestle said it would use the proceeds of the sale to pay down its \$21 billion debt and continue with its share repurchasing program.

The announcement of the deal lifted Nestle's share value 2.4 percent, while Novartis shares fell 2.3 percent Monday, the paper reported.

Analysts speculated that Nestle, with cash in hand, may also make a play for cosmetic maker L'Oreal Group.

Sudden Toyota speed-ups investigated

WASHINGTON, April 7 (UPI) -- The National Highway Traffic Safety Administration has begun an investigation into unexplained acceleration of Tacoma pickup trucks, the U.S. agency said.

Thirty-three of the Toyota truck owners have complained the vehicle suddenly accelerated on its own. Eight of the complaints involved crashes, the Detroit Free Press reported.

Sudden acceleration has been a mystery for car safety agencies for decades. Six previous investigations have closed without pinpointing any mechanical failure.

In a previous report the NHTSA found "the inescapable conclusion" was that drivers were pressing the gas pedal unintentionally.

But others say that does not explain the tendency of sudden acceleration complaints to come from owners of specific vehicles.

"Sudden acceleration is a tough issue," said Ricardo Martinez, former NHTSA chief administrator. "If a crash occurs, you always blame it on the vehicle, but most always the investigation found that wasn't the case."

Toyota has denied the issue is mechanical. "We don't feel it's an issue with the vehicle," said company spokesman Bill Kwong. "In most cases" of past years, "it's a misapplication of the pedals by the driver," he said.

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